

**The Honorable Edward J. Markey House of Representatives Washington, DC 20515**

Dear Representative Markey

UNITED STATES DEPARTMENT OF COMMERCE The Assistant Secretary for Communications and Information

Washington, D.C. 20230

JAN 5 2001

Thank you for your cosigned letter regarding the process undertaken by the Internet Corporation for Assigned Names and Numbers (ICANN) to select new top level domains (TLDs) for the Internet. The Department of Commerce has long believed that robust competition at both the domain name registry and registrar levels will ultimately lead to greater choice, better services, and lower prices for all consumers and businesses seeking to establish a Web site on the Internet. We are, therefore, supportive of ICANN's recent efforts to select new TLDs for introduction into the Internet domain name system (DNS).

As you may know, issues concerning which and how many new TLDs should be added to the Internet has been the subject of considerable discussion and debate in the Internet community for many years. Over three years ago, in January 1998, the Department of Commerce issued for public comment a proposal addressing the privatization of DNS functions. Among other suggestions, it proposed that, during the transition to private sector management, the U.S. Government would undertake a process to select and add to the DNS up to five new TLDs. The preponderance of over 650 comments received, however, strongly urged the government to refrain from such intervention and recommended that decisions about new TLDs should be deferred to a new, not-for-profit corporation formed by the private sector to undertake DNS management functions.

In July 1998, the Department of Commerce issued a Statement of Policy based on the comments received. While recognizing that decisions about new TLDs would be challenging, the Department agreed with the public that such decisions were most appropriately made by the private sector through a new, not-for-profit organization representative of Internet stakeholders. The Department recognized ICANN as that organization in November 1998.

Since work on new TLDs was undertaken within ICANN some 18 months ago, the organization has strived to establish a transparent, open, and fair process aimed at taking into account and balancing the many different, and sometimes competing, points of view on this issue. Throughout its undertakings, ICANN's activities, from initial TLD policy development through its application evaluation process, included public consultation and review facilitated by open, on-line comment fora and public meetings. Further, ICANN published expected time lines, reports, objectives, criteria, and even Web casts of their public meetings through their web site located at <http://www.icann.org>. For your ease of reference, I have attached to this letter a selection of information available on that site.

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As with every pioneering process that is thoughtfully established and executed, not every challenge can be foreseen and there are many lessons learned. Given the complexity of this task, however, we believe that the process undertaken by ICANN demonstrated a substantial effort to balance the desires of many competing interests vying to operate new TLDs with the need to proceed with care to ensure that the Internet's technical stability is not jeopardized.

Regarding the concerns you raise about the proposed. web TLD, there were several applications

submitted to ICANN for a. web TLD by competing organizations. No. web application,

however, was ultimately selected by ICANN at their November meeting in Marina del Rey, California. This is not to say that such applications might not be granted by ICANN sometime in the future. The information and experience gathered from ICANN's recent selection process will provide the organization with guidance on how to approach subsequent rounds of TLD applications.

Concerning the composition of ICANN's board of directors at the time of the selection, I would note that elected members of the ICANN board did, in fact, participate in decisions on new

TLDs. These members were elected to serve on the board of directors through ICANN's three policy development bodies, or "Supporting Organizations," which collectively represent a broad spectrum of interests. The decision to seat the five additionally elected At-Large board members at the conclusion of the November meeting was taken before there was a schedule in place for the selection of new TLDs by the board of directors.

The Internet community is broad and diverse and comprised of many different views on TLD issues. The Department remains of the view that these matters are appropriately addressed by the private sector through the ICANN process. We believe that to do otherwise would not only constitute a reversal of the policy that the Department developed through extensive public consultation, but also signal a lack of confidence in the ability of the private sector to achieve outcomes that benefit the global Internet as a whole.

I hope this information is helpful to you. As always, your views will be carefully considered as we move forward in our DNS privatization efforts. In the event that you or your staff would like further information on DNS issues, please feel free to contact Cinnamon Rogers, Director of Congressional Affairs, at (202) 482-2075.